Form (2)

THE REPUBLIC OF THE UNION OF MYANMAR
The Myanmar Investment Commission
PERMIT

Permit No. 978/2015

Date 10th July 2015

This Permit is issued by the Myanmar Investment Commission according to the section 13, sub-section (b) of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Investor/Promoter MR. DONG HOON LEE

(b) Citizenship KOREAN

(c) Address 309-201, 177 MIGEUM-RO, BUNDANG-GU, GYEONGGI-GU, REPUBLIC OF KOREA

(d) Name and Address of Principal Organization MUSUNG CO., LTD., 4TH FLOOR, 2030-1 DAEHWA-DONG, ILSAN-GU, GOYANG-SI, KYUNGKI-DO, REPUBLIC OF KOREA

(e) Place of incorporation REPUBLIC OF KOREA

(f) Type of investment business MANUFACTURING OF GARMENTS ON CMP BASIS

(g) Place(s) at which investment is permitted PLOT NO. 18, YANGON INDUSTRIAL ZONE, NORTH OKKALAPA TOWNSHIP, YANGON REGION

(h) Amount of Foreign Capital US$ 2.160 MILLION

(i) Period for foreign capital brought in WITHIN ONE YEAR FROM THE DATE OF ISSUANCE OF MIC PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 2.160 MILLION

(k) Construction period 6 MONTHS

(l) Validity of investment permit 30 YEARS

(m) Form of investment WHOLLY FOREIGN OWNED INVESTMENT

(n) Name of Company incorporated in Myanmar MUSUNG GARMENT COMPANY LIMITED

Chairman

The Myanmar Investment Commission

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်
ခွင့်ပြုမိန့်

စာအမှတ် ....
ရက်စွဲ ....

ခွင့်ပြုမိန့်အမှတ် ၉၇၈/၂၀၁၅ ၂၀၁၅ ခုနှစ် ဇူလိုင်လ ၇၀ ရက်

ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံတော်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ ၁၃၊ ပုဒ်မခွဲ(ခ) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ရင်းနှီးမြှုပ်နှံသူ/ကမကထပြုသူအမည် MR. DONG HOON LEE

(ခ) နိုင်ငံသား KOREAN

(ဂ) နေရပ်လိပ်စာ 309-201, 177 MIGEUM-RO, BUNDANG-GU, GYEONGGI-GU, REPUBLIC OF KOREA

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ MUSUNG CO., LTD., 4TH FLOOR, 2030-1 DAEHWA-DONG, ILSAN-GU, GOYANG-SI, KYUNGKI-DO, REPUBLIC OF KOREA

(င) ဖွဲ့စည်းရာအရပ် REPUBLIC OF KOREA

(စ) ရင်းနှီးမြှုပ်နှံသည့်လုပ်ငန်းအမျိုးအစား CMP စနစ်ဖြင့် အထည်အမျိုးမျိုး ထုတ်လုပ်ခြင်းလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံသည့်အရပ်ဒေသ(များ) မြေကွက်အမှတ်-၁၈၊ ရန်ကုန်စက်မှုဇုန်၊ မြောက်ဥက္ကလာပမြို့နယ်၊ ရန်ကုန်တိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း ပမာဏ အမေရိကန်ဒေါ်လာ ၂.၁၆၀ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ခွင့်ပြုမိန့် ရရှိသည့်နေ့မှ (၁) နှစ်အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၂.၁၆၀ သန်း နှင့် ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) တည်ဆောက်မှုကာလ ၆ လ

(ဌ) ရင်းနှီးမြှုပ်နှံမှုခွင့်ပြုသည့် သက်တမ်း ၃၀ နှစ်

(ဍ) ရင်းနှီးမြှုပ်နှံမှုပုံစံ ရာခိုင်နှုန်းပြည့်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု

(ဎ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် ကုမ္ပဏီအမည် MUSUNG GARMENT COMPANY LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

THE REPUBLIC OF THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

No.(1), Thitsar Road, Yankin Township, Yangon

Our ref : DICA-3/FI-1156/2015(၉၀၆ · ၁)
Tel: 01-658128

Date : 10th July 2015
Fax: 01-658141

Subject: **Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing of Garments on CMP Basis" under the name of "Musung Garment Company Limited"**

Reference: Musung Garment Company Limited Letter dated (28.1.2015)

1. The Myanmar Investment Commission, at its meeting (11/2015) held on (19-6-2015), had approved the proposal for investment in "Manufacturing of Garments on CMP Basis" under the name of "Musung Garment Company Limited" submitted by Musung Co., Ltd. (750 share) and Mr. Jeong Mun Lee (1 share) from the Republic of Korea.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VII, section 13(b) of the Foreign Investment Law and Chapter VIII, Rule 49 of the Foreign Investment Rules relating to Foreign Investment Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 30(thirty) years. The term of the Lease for land and building shall be 30(thirty) years from the date of signing of the Lease Agreement between U Yan Win and U Kyaw Tint (Lessors) and Musung Garment Company Limited (Lessee).

4. The annual rent for the land and buildings shall be US $ 96,000 (United States Dollar ninety-six thousand only) of the land measuring 16,928.015 square metres (4.183acres). At the expiry of the lease term, further lease period can be extended by mutual consent between Lessors and Lessee. The land and building rental fee shall be reviewed in every 2 (two) years. At the expiry of the Lease period, the Lessee shall transfer the leased land and immoveable properties to the Lessor within 3(three) months in good condition, ground damages having been refilled and repaired.

5. Since it was recorded that A1 Garment Company Limited operated under Myanmar Citizens Investment Law had started the commercial operation with effect from the date 13th April 2001, the period of 36 (thirty six) consecutive months starting from the month of commencement of commercial operation to enjoy privileges for income tax exemption as stipulated in section 21 (a) of the Foreign Investment Law (1988) was expired on 13th April 2004. In this regards, Musung Garment Company Limited shall have no right to enjoy the tax exemption conferred by Foreign Investment Law.

6. In issuing this "Permit," the Commission has granted the following exemptions and reliefs as per Chapter XII, section 27 (h) and (k) of Foreign Investment Law. Other exemptions and reliefs under section 27 shall have to be applied upon the actual performance of the project;

(a) As per section 27(h), exemption or relief from customs duty or other internal taxes or both on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction of business;

(b) As per section 27(k), exemption or relief from commercial tax on the goods produced for export.

7. Musung Garment Company Limited shall have to sign the Lease Agreement for land and building with U Yan Win and U Kyaw Tint. After signing the Agreement, (5) copies shall have to be forwarded to the Commission.

8. Musung Garment Company Limited in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum of Association and Articles of Association shall have to be forwarded to the Commission.

9. Musung Garment Company Limited shall use its best efforts for timely realization of work stated on the proposal. If none of such work has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

10. Musung Garment Company Limited has to abide by Chapter X, Rule 58 and 59 of the Foreign Investment Rules for construction period.

11. As per Chapter X, Rule 61 of the Foreign Investment Rules, extension of construction period shall not be allowed more than twice except it is due to unavoidable events such as natural disasters, instabilities, riots, strikes, emergency of State condition, insurgency and outbreak of wars.

12. As per Chapter X, Rule 63 of the Foreign Investment Rules, if the Musung Garment Company Limited cannot construct completely in time the construction period or extension period, the Commission will have to withdraw the permit issued to the investor and there is no refund for the expenses of the project.

13. Musung Garment Company Limited shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

14. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal and also in accordance with Chapter XI, section 24 and section 25 of Foreign Investment Law and Musung Garment Company Limited has to follow the existing Labour Laws for the recruitment of st[illegible] and labour in accordance with Chapter XIII, Rule 84 of the Foreign Inves[illegible]ent Rules.

15. [illegible] order to evaluate foreign capital and for the purpose of its registration in accordance with the provisions under Chapter XV, section 37 of Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened and defined under Chapter XVI, Rule 134 and 135 of the Foreign Investment Rules;

(b) the detailed lists of the type and value of foreign capital defined under Chapter I, section 2(i) of the Foreign Investment Law, other than foreign currency.

16. Musung Garment Company Limited brings in foreign capital defined under Chapter I, section 2(i) of the Foreign Investment Law, other than foreign currency in the manner stated in paragraph 15(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

17. Musung Garment Company Limited has the right to make account transfer and expend the foreign currency from his bank account in accordance with Chapter XVI, Rule 136 of the Foreign Investment Rules and for account transfer of local currency generated from the business to the local currency account opened at the bank by a citizen or a citizen-owned business in the Union and right to transfer back the equivalent amount of foreign currency from the foreign currency bank account of a citizen or citizen-owned business by submitting the sufficient document in accordance with Chapter XVII, Rule 145 of the Foreign Investment Rules.

18. Musung Garment Company Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost overrun, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

19. Musung Garment Company Limited shall be responsible for the preservation of the environment at and around the area of the project site. In addition to this, it shall carry out as per instructions made by Ministry of Environmental Conservation and Forestry in which to conduct Environmental Management Plan (EMP) which describe the measure to be taken for preventing, mitigation and monitoring significant environmental impacts resulting from the implementation and operation of proposed project or business or activity. It has to prepare, submit and perform activities in accordance with this EMP and abide by the environmental policy, Environmental Conservation Law and other environmental related rules and procedures.

20. After getting permit from Myanmar Investment Commission, Musung Garment Company Limited shall have to be registered at the Directorate of Industrial Supervision and Inspection.

21. Musung Garment Company Limited shall have to abide by the Fire Services Department's rules, regulations, directives and instructions. Moreover, fire prevention measures shall have to undertaken such as water storage tank, fire hooks, sand bags, fire extinguishers and provide training to use the fire fighting equipment and also appoint the fire safety officer.

22. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc., shall only be made out of export earning (CMP charges) of Musung Garment Company Limited.

23. Musung Garment Company Limited in consultation with Myanma Insurance shall effect such types of insurance defined under Chapter XII, Rule 79 and 80 of Foreign Investment Rules.

(Zay Yar Aung)
Chairman

Musung Garment Company Limited

cc: 1. Office of the Government of the Republic of the Union of Myanmar
2. Ministry of Home Affairs
3. Ministry of Foreign Affairs
4. Ministry of Environmental Conservation and Forestry
5. Ministry of Electric Power
6. Ministry of Immigration and Population
7. Ministry of Industry
8. Ministry of Commerce
9. Ministry of Finance
10. Ministry of National Planning and Economic Development
11. Ministry of Labour, Employment and Social Security
12. Central Bank of Myanmar
13. Chairman, CMP Enterprises Supervision Committee
14. Office of the Yangon Region Government
15. Director General, Department of Environmental Conservation
16. Director General, Immigration and National Registration Department
17. Director General, Directorate of Industrial Supervision and Inspection
18. Director General, Department of Trade
19. Director General, Customs Department
20. Director General, Internal Revenue Department
21. Director General, Directorate of Investment and Company Administration

22. Director General, Directorate of Labour
23. Director General , Department of Urban & Housing Development
24. Director General, Fire Services Department
25. Managing Director, Myanma Foreign Trade Bank
26. Managing Director, Myanma Investment and Commercial Bank
27. Managing Director, Myanma Insurance
28. Managing Director, Myanma Electric Power Enterprise
29. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)